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SYNOPSIS FOR Ph.D REGISTRATION

Proposed Research Topic : **Analysis and Impact of Support System in Promoting Entrepreneurship in Rajouri and Poonch Districts of J & K.**

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Analysis and Impact of Support System in Promoting Entrepreneurship in Rajouri and Poonch Districts of J & K.

1.Introduction:

Entrepreneurship is a creative human act involving the mobilization of resources from one level of productive use to a higher level of use. It is a process by which the individuals pursue opportunities without regard to resource currently controlled. It is the natural instinct of the individuals to become successful entrepreneurs as they contribute the capital and bear the risk of uncertainties in business life. But it is not necessarily possible all the time. These born entrepreneurs may have the perfect ideas and capabilities to start their ventures but they don't possess the adequate encouragement and support to do so. Encouragement and support may be attitudinal, moral and professional. They also require physical resources which play an important role in the promotion of entrepreneurship activities and accordingly there are various agencies which are playing a key role in providing their support in the process of grooming these desiring entrepreneurs. Hence entrepreneurs need not to be born; they can be developed through well conceived and well directed activities. This calls for framing well designed entrepreneurship development programs (EDPs) on continuous basis throughout the country. The policy makers were well aware of this fact and accordingly initiated EDPs in the country to enlarge the pool of new entrepreneurs through well planned development instructions. The first major and systematic effort to identify and develop new entrepreneurs especially from non conventional community background was made in 1970s in Gujarat. In the initial years only one or two EDPs were organized by Gujarat industrial and Investment Corporation. Later state bank of India in collaboration with District Development Board of India (DDBI) decided to extend entrepreneurship development programs in other parts of country notably to the backward region. To achieve this goal Industrial development bank of India (IDBI), Industrial credit Investment Corporation of India (ICICI) and State Bank of India (SBI) have set up entrepreneurship development institute at Ahmadabad to serve and nurture entrepreneurs. Another national level institute namely "National Institute of Entrepreneurship and Small Business Development India (NIESBUD)" was set up in 1983, with more or less same purpose at New Delhi. The main objective of the entrepreneurial development schemes is to motivate and

assist prospective and potential entrepreneurs to set up small scale units of their own and thereby become self employed and continue to contribute significantly to production and employment in the country. Entrepreneurial development programs increase entrepreneurial spirit and provide scope for self development by focusing attention on the self and non self directed motivational change.

2. Need of Entrepreneurial Development Programmes:

The thrust of entrepreneurial development is to motivate a person for entrepreneurial career and to make him capable of perceiving the opportunities and exploiting them successfully for setting up his own enterprise. However, the main focus of these programmes is on the following issues.

a. To identify potential entrepreneurs.

b. To develop necessary knowledge and skill of the potential entrepreneurs.

c. To reform the entrepreneurial behavior in day to day activities.

d. To impart basic managerial understanding.

e. To assist them in the development of an enterprise.

f. To provide post training assistance.

3. Review of literature:

In order to work out the research gap to be targeted for the studies, it becomes imperative to review the research work carried out by different scholars and policy makers in India and abroad. The review of the literature carried out in this regard is as follows:

Benazeer Chalkoo, (2011): Examined the impact of professional support system on the sustainability of the firms. It was identified that EDP performed by different agencies have significant impact on start up rate of new enterprises however, they face problems in the later stages. She suggested about restructuring of EDP strategies for vitalizing the health of enterprises performing at different levels in the state of Jammu and Kashmir.

Astha Sharma, (2010): The study was based on role of institutional assistance for promotion of enterprises. She evaluated entrepreneurship orientation as a key component of entrepreneurship promotional strategies. She proponded that proper entrepreneurship environment created by supporting agencies helps in creating the new ventures on the one hand and making people self dependent on the other.

M, Mohammad et.al, (2010): The focus of this study was on support from institutional and non institutional associations for creating and developing small business houses. They were of the view that entrepreneurs can strengthen their own capacities by following an integrated approach covering their own zeal as well as assistance provided by Govt. for successfully running their business.

Harper and Mahajan, (2009): Study was based on 245 entrepreneurs in which 125 were trained and 120 were untrained. Study revealed that trained entrepreneurs break up significantly and have lower capital output ratio. The finding of the study supported the hypothesis that EDP programmes are the key drivers for motivating and developing dominant entrepreneur to take calculated plung in the industrial entrepreneurship.

EDI Ahmadabad, (2009): This study undertook an all India level evaluation in order to see the top level EDP conducting institutions and their performance. It was seen that NITCON has conducted 416 programs for different groups in which 9600 persons had been trained, more than 4530 first generation entrepreneurs have implemented their units with investment of about 1790 lakhs and a creation of employment for 11000 persons .The actual start up rate was seen as 55.55% and the final start up rate was found as 62.96% against an average rate of 25%- 31.1% at national level.

Radiah Abdul Kader, (2009): Stated that Government should play a pivotal role in skill development through rigorous training, since most rural businesses are labor intensive which involve skills and creativity. Further it was found that conducive local business environment and available infrastructural facilities can be the guiding forces for the aspiring entrepreneurs to nurture their enterprises.

Kumar, (2006): Suggested that many start up entrepreneurs do have the necessary skills and opportunity to create a new venture. He further argued that the factors such as education, experience, moral and financial support have always been the few major stumbling blocks or mental blocks holding them back from their journey of success.

Sankaran, (2005): Identified the significance of formal and informal supporting agencies for healthy life of small business houses. He concluded financial factors and social factors as key components of formal and informal supporting agencies simultaneously having strong impact on the development of entrepreneurship spirit among the aspiring entrepreneurs than all other factors.

Shane, (2003): Concluded that development of enterprises and entrepreneurial opportunities depend upon the favorable conditions in which enterprise operates. Study further highlited that an entrepreneur can channelize his finances and other possessed resource properly provided he has proper knowledge and guidance about prevailing market conditions.

Udayakumar, (2002): Conducted a study on development of entrepreneurs through entrepreneurship development programmes (EDPs) and revealed that EDP has a marginal effect in converting potential entrepreneurs into actual entrepreneurs. It was found that out of 15 entrepreneurs, 12 had already decided to set up business ventures and joined the programme only to equip themselves with business skills to run the unit. Only 3 were motivated to set up business units. Even in terms of managing the units, EDP could not succeed in enhancing the managerial effectiveness of the entrepreneurs because 8 out of the 15 closed down their ventures. Also, those who were able to continue their business do not attribute their success to EDP.

Carree et.al., (2000): Propounded that a positive relationship between entrepreneurship and economic growth has been widely agreed upon .The entrepreneurship contributes towards the economic development of a country in numerous ways particularly by creating employment and service provision.

Zahra, (1993): Identified that entrepreneurship environment can be created through entrepreneurship orientation consists of three main components: Innovativeness, proactiveness and risk.

Gupta, (1989): The study focused on certain output measures of EDPs. eg. Number of enterprises set up and their corresponding survival. The study was based on sample of 40 units set up by trained entrepreneurs and other 40 units set up by the non trained entrepreneurs and revealed less than 10% business closure rates in the enterprises set up by trained entrepreneurs as against set up by 20- 25% among the other enterprises set up by non trained entrepreneurs . The study failed to highlight other important aspects of output like cost benefit analysis.

Bhanu Shali, (1987): Conducted a study on entrepreneurship development in Kholapur district in Maharashtra. The study lead to the conclusion that persons of minority or marginal groups trained in the art of engineering and having long contact with engineering industry have better capabilities to achieve success status. The study further stresses the need for co-ordination and synchronization of various administrative and attitudinal efforts to attain maximum result with minimum waste of time and resources.

4. Justification of the study:

J & K state is divided into three divisions Jammu, Kashmir and Ladakh. All the three divisions have plenty of natural and human resources, which are key components for creating new ventures on one hand and growth of the regions on the other. The available resources can be utilized in a best way for performing commercial activities, provided the people have entrepreneurship spirit and zeal. After going through the literature and published data, it was found that both the natural and population dividends are not being optimally reaped through proper skill enhancement and various incentive schemes which have been employed in poonch and Rajouri districts of the Jammu division. There are but a few programs for the training of prospective entrepreneurs to help them have the basic understanding of marketing, access to finances, their legal rights and obligations and the pros and cons of other related aspects. These resources have a great empowerment and growth potential. This situation paves the way to examine in detail the role and impact of EDP's for preparing prospective entrepreneurs to establish their enterprises. Moreover, there is paucity of research in the area. So present research will be helpful in creating entrepreneurship environment and nurturing entrepreneurship skills among the aspiring entrepreneurs.

5. Objectives of the study:

Proposed study seeks to achieve following objectives.

1. To identify various dimensions of an entrepreneurship which are key to effective entrepreneurship development in the state in general and Rajouri and Poonch districts of the state in particular.

2. To study the rationale of Support System and its relevance in promoting entrepreneurship in Rajouri and Poonch districts of the state.

3. To study the relationship and effect of formal and informal Entrepreneurship Support System during different stages of an enterprise.

4. To review the outcome of Entrepreneurship Support Programs in the form of number of units created and their success rate in Rajouri and Poonch districts.

5. To draw conclusions with regard to present status of Support System and suggest suitable measures to further improve the effectiveness of the system in promoting entrepreneurship activities in Rajouri and Poonch districts of the state.

6. Hypotheses formulation:

The review of core studies within the framework of aforesaid gap lead to the formulation of following hypotheses.

1. There is a significant relationship of entrepreneur orientation on the startup rate, survival rate and growth rate of the enterprises.

2. There is a significant relationship in performance of the enterprises managed by trained entrepreneurs and those of untrained entrepreneurs.

7. Research Methodology.

This section will focus on the research techniques adopted and used for this study with the aim to achieve research objectives. Data will be collected from a sample of entrepreneurs to determine the relationship between entrepreneurship development (dependent variable) and support system (independent variable). The study will be exploratory cum evaluative in nature . It will have two

dimensions. Firstly, last 10 years data will be collected about (A) number of EDP conducted in the districts by agencies selected for present study. (B) Number of participants trained as entrepreneurs, (C) Number of units created by them, and (D) Cost – Benefit analysis of the programmes. Secondly real beneficiaries will be approached and information will be gathered about their satisfaction from prevailing support system and their expectations and then ultimate satisfaction index will be prepared accordingly. The study will go through the following stages.

7.1 **Data collection**:

Data will be collected through primary and secondary sources. The primary data will be collected through structured questionnaires. Moreover, further information would also be elicited through personal discussions and interviews with the official and other members of the institutions involved in entrepreneurship development activities. The secondary data will be obtained from various sources such as books, journals, magazines, newspapers, publications of govt. as well as from internet.

7.2 Sample area:

The study will cover two districts of Jammu division namely Rajouri and Poonch. As stated earlier these districts have plenty of natural and human resources but due to lack of concentration and concern by formal entrepreneurship supporting agencies to encourage and support the aspiring entrepreneurs, migration rate is aggravating with the result lesser individuals are showing their interest to take up new ventures. Out of ten tehsils of Rajouri and Poonch districts, six tehsils frequently focused by the EDP supporting agencies will be selected for the present study. Since EDP's conducted during the period were of different time frames but purposefully the EDP's based on 10 to 15 days time frame will be the base for collecting the information. Total 250 entrepreneurs both trained and untrained, will be approached for eliciting their opinion regarding the role of EDP in creating and developing entrepreneur's activities and other factors which can channelize their behavior and motivate them to become an entrepreneur. Apart from this, the data will also be gathered from trainers, executives of EDP agencies and other official involve in supporting system.

Entrepreneur: One who undertakes an enterprise.

Entrepreneurship: Process involving various actions to be undertaken to set up an enterprise

Enterprise: A commercial unit.

EDP Supporting Agencies: There are various agencies provide assistance for entrepreneurial development at the state level and these are:

a. Small Industries Service Institutes (SISI)
b. District Industry Centre (DIC)
c. Technical Consultancy Organizations
d. State Finance Corporation
e. Commercial Banks.
f. Jammu and Kashmir Entrepreneurship Development Institute (JKEDI).

Phases of Entrepreneurial Development Programmes:

EDPs are conducted in three phases

a. Pre-Training
b. Training
c. Post-Training

8. Chapterization:

The proposed study shall have the following chapters;

Chapter 1: Introduction:

Introduction will be the first chapter in the thesis structure. It will cover the concept and relevance of entrepreneurship. Chapter will further highlight evolution and types of different entrepreneurship supporting agencies and their role in promoting entrepreneurship.

Chapter 2: Review of literature:

Second chapter would present the review of existing literature on the subject. On the basis of past research conducted, research gap will be identified and need for the current study will be highlighted.

Chapter 3: Research Methodology:

This chapter will cover the detail research design, methods, sampling tools and techniques and overall procedures which will be employed with respect to our study purpose.

Chapter 4: Analysis and Interpretation:

Collected data will be analyzed after checking its reliability and validity. The result of analysis will be given in this chapter.

Chapter 5: Discussion and Findings:

Fifth chapter will cover overall discussion and findings of the study.

Chapter 6: Conclusions and Suggestions:

It will summarize the findings of the study and will also provide the necessary inputs and insights to be used for the benefits of aspiring entrepreneurs and policy makers.

9. Time Frame of the Study:

The study would be completed in two years .The year –wise research plan is as under:

First Year

1. Collection of literature for further review

2. Designing of preliminary questionnaires

3. Pre –testing and its analysis

4. Finalization of questionnaire

5. Final survey

Second Year

1. Data analysis

2. Report writing

3. Submission of abstract

4. Submission of thesis

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